

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2004

	June-04					March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Allocation		Quarter	Net ROR	Net ROR	Net	Net		
	Market Value	Actual	Policy	Net ROR		Net ROR	Market Value	Actual		Policy	Net ROR	Market Value	Actual	Policy	Net ROR					Market Value	Actual
LARGE CAP DOMESTIC EQUITY																					
Structured Growth																					
LA Capital	1,361,185	5.2%	5.1%	2.77%	1.97%	1,314,980	5.0%	5.1%	-0.32%	1,301,336	5.1%	5.1%	9.12%	1,191,943	5.0%	5.1%	N/A	N/A	N/A		
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	0	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A		
Total Structured Growth	1,361,185	5.2%	5.1%	2.77%	1.97%	1,314,980	5.0%	5.1%	-0.32%	1,301,336	5.1%	5.1%	9.12%	1,191,943	5.0%	5.1%	6.62%	19.20%	-1.48%		
Russell 1000 Growth				1.94%	1.25%				0.79%				10.41%				3.92%	17.88%	2.93%		
Structured Value																					
LSV	1,430,925	5.4%	5.1%	2.13%	3.96%	1,416,574	5.4%	5.1%	6.07%	1,435,504	5.6%	5.1%	15.61%	1,244,918	5.3%	5.1%	3.36%	29.44%	-2.05%		
Russell 1000 Value				0.88%	2.36%				3.03%				14.19%				2.06%	21.13%	-1.02%		
Enhanced Russell 1000 Index																					
LA Capital	1,658,633	6.3%	5.1%	1.47%	1.68%	1,386,759	5.3%	5.1%	1.60%	1,346,823	5.3%	5.1%	11.80%	1,204,786	5.1%	5.1%	2.89%	18.59%	1.08%		
Russell 1000				1.40%	1.80%				1.90%				12.26%				3.00%	19.48%	0.96%		
Enhanced S&P 500 Index																					
Northern Trust	1,846,546	7.0%	5.1%	1.40%	1.76%	1,315,307	5.0%	5.1%	1.83%	1,274,614	5.0%	5.1%	12.42%	1,133,812	4.8%	5.1%	2.51%	19.00%	0.28%		
Strong	349,739	1.3%	5.1%	1.68%	3.15%	1,367,605	5.2%	5.1%	2.68%	1,314,213	5.1%	5.1%	12.76%	1,165,628	4.9%	5.1%	2.89%	21.13%	3.30%		
Westridge	1,741,300	6.6%	5.1%	1.74%	1.92%	1,431,885	5.4%	5.1%	1.76%	1,388,718	5.4%	5.1%	12.24%	1,237,505	5.2%	5.1%	2.67%	19.30%	0.56%		
Total Enhanced S&P 500 Index	3,937,585	14.9%	15.4%	1.61%	2.28%	4,114,797	15.6%	15.4%	2.09%	3,977,544	15.5%	15.4%	12.47%	3,536,945	15.0%	15.4%	2.69%	19.81%	1.35%		
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%		
S&P 500 Index																					
State Street	934,922	3.5%	3.4%	1.72%	1.94%	928,834	3.5%	3.4%	1.68%	901,315	3.5%	3.4%	12.16%	803,500	3.4%	3.4%	2.64%	19.08%	0.31%		
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%		
TOTAL LARGE CAP DOMESTIC EQUITY	9,323,251	35.4%	34.3%	1.75%	2.27%	9,161,943	34.7%	34.3%	2.22%	8,962,522	35.0%	34.3%	12.33%	7,982,093	33.8%	34.3%	3.03%	20.38%	0.49%		
S&P 500				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%		
SMALL CAP DOMESTIC EQUITY																					
Manager-of-Managers																					
SEI	2,916,132	11.1%	10.7%	-0.89%	3.15%	3,010,442	11.4%	10.7%	6.67%	3,090,430	12.1%	10.7%	14.93%	2,778,741	11.8%	10.7%	9.73%	33.33%	0.68%		
Russell 2000 + 200bp				0.98%	4.38%				6.78%				15.07%				9.60%	35.99%	0.37%		
TOTAL SMALL CAP DOMESTIC EQUITY	2,916,132	11.1%	10.7%	-0.89%	3.15%	3,010,442	11.4%	10.7%	6.67%	3,090,430	12.1%	10.7%	14.93%	2,778,741	11.8%	10.7%	9.73%	33.33%	0.68%		
Russell 2000				0.47%	4.21%				6.26%				14.52%				9.07%	33.36%	-1.64%		
INTERNATIONAL EQUITY																					
Large Cap - Core																					
State Street	163,095	0.6%	0.6%	0.62%	2.48%	163,637	0.6%	0.6%	4.41%	175,626	0.7%	0.6%	14.33%	153,377	0.6%	0.6%	6.10%	27.44%	-9.96%		
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%		
Large Cap - Active																					
Capital Guardian	401,999	1.5%	1.5%	-0.43%	1.11%	407,624	1.5%	1.5%	3.09%	424,358	1.7%	1.5%	13.65%	373,033	1.6%	1.5%	7.48%	25.40%	-11.30%		
Bank of Ireland	80,979	0.3%	0.3%	0.80%	1.34%	81,116	0.3%	0.3%	1.62%	83,456	0.3%	0.3%	17.49%	70,979	0.3%	0.3%	2.70%	23.61%	-10.28%		
Total Large Cap - Active	482,978	1.8%	1.8%	-0.22%	1.15%	488,740	1.9%	1.8%	2.85%	507,814	2.0%	1.8%	14.27%	444,012	1.9%	1.8%	6.69%	25.11%	-11.12%		
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%		
Small Cap - Active																					
Lazard	86,874	0.3%	0.3%	4.22%	4.19%	84,182	0.3%	0.3%	9.32%	84,270	0.3%	0.3%	14.48%	81,332	0.3%	0.3%	10.72%	44.40%	-2.32%		
Wellington	84,486	0.3%	0.3%	-0.66%	3.10%	87,954	0.3%	0.3%	9.37%	84,117	0.3%	0.3%	11.65%	85,327	0.4%	0.3%	17.28%	42.26%	5.97%		
Total Small Cap - Active	171,360	0.6%	0.6%	1.73%	3.65%	172,136	0.7%	0.6%	9.34%	168,388	0.7%	0.6%	12.96%	166,659	0.7%	0.6%	14.01%	43.25%	1.75%		
Citigroup Broad Market Index < \$2BN				-0.16%	4.60%				12.80%				13.31%				15.95%	47.95%	3.91%		
TOTAL INTERNATIONAL EQUITY	817,433	3.1%	3.0%	0.36%	1.93%	824,513	3.1%	3.0%	4.47%	851,828	3.3%	3.0%	14.01%	764,048	3.2%	3.0%	8.08%	29.19%	-8.22%		
MSCI EAFE - 50% Hedged				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%		
EMERGING MARKETS EQUITY																					
Capital Guardian	357,180	1.4%	1.5%	-10.97%	-0.98%	449,815	1.7%	1.5%	9.14%	412,167	1.6%	1.5%	14.85%	419,608	1.8%	1.5%	14.62%	27.91%	7.15%		
MSCI Emerging Markets Free				-9.58%	0.46%				9.71%				17.81%				14.23%	33.50%	6.96%		
DOMESTIC FIXED INCOME																					
Core Bond																					
Western Asset	1,380,897	5.2%	5.2%	-1.54%	0.81%	1,410,514	5.3%	5.2%	2.83%	1,251,964	4.9%	5.2%	1.24%	1,205,418	5.1%	5.1%	-0.47%	2.02%	13.42%		
Lehman Aggregate				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%		
Active Duration																					
WestAM (Criterion)	1,355,287	5.1%	5.2%	-2.56%	0.43%	1,248,199	4.7%	5.2%	2.45%	1,227,167	4.8%	5.2%	0.32%	1,191,442	5.0%	5.1%	-0.39%	-0.25%	9.93%		
Lehman Aggregate				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%		
Index																					
Bank of ND	2,152,149	8.2%	9.0%	-3.18%	0.49%	2,210,312	8.4%	8.9%	3.09%	1,928,770	7.5%	8.9%	-0.10%	1,914,207	8.1%	8.8%	-0.73%	-1.03%	12.59%		
Bank of ND Match Loan CD Program	267,856	1.0%	1.0%	1.27%	0.42%	277,506	1.1%	1.1%	0.87%	293,367	1.1%	1.1%	1.41%	292,841	1.2%	1.2%	1.43%	5.08%	5.83%		
Total Index	2,420,005	9.2%	10.0%	-2.34%	0.47%	2,487,819	9.4%	10.0%	2.61%	2,222,137	8.7%	10.0%	0.23%	2,207,047	9.3%	10.0%	-0.21%	0.23%	10.77%		
Lehman Gov/Credit				-3.17%	0.41%				3.08%				-0.03%				-0.50%	-0.72%	13.15%		

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	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Market Value	Actual	Policy		Market Value	Actual	Policy		Net ROR	Net ROR	6/30/2003	6/30/2003
Convertibles																					
TCW	1,393,754	5.3%	5.2%	1.59%	2.48%	1,380,170	5.2%	5.2%	2.55%	1,355,798	5.3%	5.2%	10.01%	1,226,445	5.2%	5.1%	1.86%	16.74%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				-0.87%	1.19%				3.60%				8.54%				2.67%	14.44%	15.35%	-3.81%	N/A
BBB Average Quality																					
Strong	1,311,772	5.0%	5.2%	-3.58%	0.53%	1,368,317	5.2%	5.2%	3.37%	1,240,072	4.8%	5.2%	1.47%	1,216,038	5.1%	5.1%	0.16%	1.29%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				-3.55%	0.47%				3.41%				1.22%				0.27%	1.23%	18.33%	9.91%	N/A
Timberland																					
Evergreen (Wachovia)	2,402,084	9.1%	9.1%	2.46%	0.31%	2,431,667	9.2%	9.2%	1.89%	2,398,946	9.4%	9.4%	6.04%	2,246,346	9.5%	9.5%	-0.22%	10.46%	12.50%	N/A	N/A
																				N/A	N/A
TOTAL DOMESTIC FIXED INCOME	10,263,798	38.9%	40.0%	-0.81%	0.74%	10,326,685	39.1%	40.0%	2.61%	9,696,085	37.9%	40.0%	3.15%	9,292,738	39.3%	40.0%	0.09%	5.08%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																					
Western Asset	-	0.0%	0.0%	N/A	N/A	862,244	3.3%	3.5%	1.39%	850,501	3.3%	3.5%	5.54%	805,871	3.4%	3.5%	1.99%	N/A	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				N/A	N/A				2.34%				5.91%				2.77%	N/A	22.77%	5.44%	2.66%
Loomis Sayles	451,706	1.7%	1.8%	-2.24%	2.47%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				-0.75%	1.44%													N/A	N/A	N/A	N/A
Sutter/Wells Capital	460,073	1.7%	1.8%	-0.43%	0.97%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				-0.80%	1.45%													N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	911,779	3.5%	3.5%	-1.32%	1.71%	862,244	3.3%	3.5%	1.39%	850,501	3.3%	3.5%	5.54%	805,871	3.4%	3.5%	1.99%	7.69%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				-0.96%	1.43%				2.34%				5.91%				2.77%	10.33%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																					
International Sovereign																					
UBS Global (Brinson)	251,356	1.0%	1.0%	-3.20%	0.31%	259,699	1.0%	1.0%	1.43%	256,037	1.0%	1.0%	6.49%	224,105	0.9%	1.0%	3.17%	7.86%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
International Core																					
Brandywine	260,601	1.0%	1.0%	-1.10%	-0.20%	263,514	1.0%	1.0%	1.76%	258,957	1.0%	1.0%	7.32%	219,329	0.9%	1.0%	1.52%	9.65%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-3.22%	0.10%				-0.93%				6.77%				2.76%	5.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	511,957	1.9%	2.0%	-2.15%	0.05%	523,214	2.0%	2.0%	1.60%	514,994	2.0%	2.0%	6.91%	443,434	1.9%	2.0%	2.35%	8.78%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
REAL ESTATE																					
J.P. Morgan	791,081	3.0%	3.0%	3.15%	1.33%	699,976	2.7%	3.0%	1.95%	686,612	2.7%	3.0%	3.16%	665,609	2.8%	3.0%	2.43%	11.11%	7.80%	7.36%	10.23%
<i>NCREIF TOTAL INDEX</i>				3.12%	1.03%				2.56%				2.76%				1.97%	10.82%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																					
<i>Coral Partners V</i>	30,764			-25.03%	0.00%	40,468			0.00%	44,417			-1.26%	40,837			-6.88%	-31.07%	-22.52%	-20.83%	-9.87%
<i>Coral Partners V - Supplemental</i>	2,754			-6.24%	0.00%	2,897			66.55%	2,210			-0.95%	2,124			-15.67%	30.44%	-28.36%	N/A	N/A
<i>Coral Partners VI</i>	15,609			-1.53%	0.00%	15,632			-5.08%	6,657			-4.63%	6,647			-12.18%	-21.72%	N/A	N/A	N/A
<i>Brinson 1998 Partnership Fund</i>	6,561			-1.29%	-1.29%	7,328			4.04%	7,567			2.36%	7,453			4.07%	9.41%	-14.73%	-11.35%	1.31%
<i>Brinson 1999 Partnership Fund</i>	10,948			2.43%	0.54%	9,640			5.59%	10,152			4.99%	9,208			0.98%	14.66%	-16.31%	-14.42%	N/A
<i>Brinson 2000 Partnership Fund</i>	18,181			3.79%	0.36%	16,689			3.85%	17,264			2.47%	14,805			0.67%	11.19%	-13.99%	-9.08%	N/A
<i>Brinson 2001 Partnership Fund</i>	8,392			3.30%	1.78%	6,323			3.95%	5,291			-1.11%	5,095			0.43%	6.64%	-5.98%	N/A	N/A
<i>Brinson 2002 Partnership Fund</i>	3,905			1.87%	1.87%	4,615			1.28%	3,578			-1.16%	3,448			12.21%	14.42%	9.08%	N/A	N/A
<i>Brinson 2003 Partnership Fund</i>	656			-2.97%	-2.97%	666			2.18%	350			-0.24%	334			-3.58%	-4.63%	N/A	N/A	N/A
<i>Brinson 1999 Non-US Partnership Fund</i>	5,526			-1.96%	-0.63%	4,975			10.02%	4,858			5.58%	5,042			6.32%	21.09%	13.12%	2.21%	N/A
<i>Brinson 2000 Non-US Partnership Fund</i>	6,901			2.68%	2.68%	6,627			8.72%	6,549			0.52%	6,204			2.82%	15.38%	9.50%	-1.63%	N/A
<i>Brinson 2001 Non-US Partnership Fund</i>	4,314			1.06%	1.06%	4,210			6.10%	3,600			1.18%	3,388			7.50%	16.63%	-0.41%	N/A	N/A
<i>Brinson 2002 Non-US Partnership Fund</i>	6,481			4.30%	4.30%	6,128			8.66%	5,453			0.96%	4,688			3.71%	18.67%	5.34%	N/A	N/A
<i>Brinson 2003 Non-US Partnership Fund</i>	1,536			-3.57%	-3.72%	863			-0.37%	931			0.05%	305			-0.05%	-3.93%	N/A	N/A	N/A
<i>Brinson 2004 Non-US Partnership Fund</i>	297			0.00%	0.00%	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
<i>Brinson BVCF IV</i>	31,388			10.87%	0.00%	26,559			14.62%	24,893			-3.67%	24,608			-1.02%	21.17%	-14.64%	-18.80%	N/A
<i>Matlin Patterson Global Opportunities</i>	44,909			1.34%	0.00%	52,312			0.47%	58,307			10.99%	50,027			0.00%	13.00%	N/A	N/A	N/A
<i>InvestAmerica</i>	6,430			0.00%	0.00%	6,341			-7.73%	7,383			0.00%	7,031			0.00%	-7.73%	-12.50%	N/A	N/A
<i>Hearthstone MSII</i>	1,784			6.14%	0.00%	3,231			0.00%	8,376			15.36%	9,503			5.06%	28.64%	28.98%	13.57%	N/A
<i>Hearthstone MSIII</i>	26,927			0.00%	0.00%	17,641			-0.85%	21,170			0.00%	1,187			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	234,263	0.9%	1.0%	-2.27%	0.27%	233,145	0.9%	1.0%	3.28%	239,005	0.9%	1.0%	3.15%	201,935	0.9%	1.0%	-1.01%	3.07%	-9.78%	-11.48%	-6.74%
CASH EQUIVALENTS																					
Northern Trust STIF/STEP	245,445	0.9%	1.0%	0.40%	0.10%	289,948	1.1%	1.0%	0.36%	300,652	1.2%	1.0%	0.32%	290,597	1.2%	1.0%	0.35%	1.44%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.24%	0.07%				0.24%				0.26%				0.25%	0.98%	1.52%	3.33%	4.07%
TOTAL FUND	26,372,319	100.0%	100.0%	0.02%	1.58%	26,381,925	100.0%	100.0%	3.07%	25,604,796	100.0%	100.0%	8.25%	23,644,673	100.0%	100.0%	2.92%	14.85%	6.14%	-0.87%	2.85%
POLICY TARGET BENCHMARK				-0.48%	1.51%				2.81%				6.89%				2.47%	12.08%	5.65%	-0.08%	3.59%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.